

(2) Any carrier which begins new operations (obtains operating authority not previously held) or extends its existing authority (obtains additional operating rights) shall be classified in accordance with a reasonable estimate of its annual carrier operating revenues after applying the revenue deflator formula shown in the Note.

(3) When a business combination occurs, such as a merger, reorganization, or consolidation, the surviving carrier shall be reclassified effective as of January 1 of the next calendar year on the basis of the combined revenues for the year when the combination occurred after applying the revenue deflator formula shown in the Note.

(4) Carriers shall notify the FMCSA of any change in classification or when their annual operating revenues exceed the Class II limit by writing to the Federal Motor Carrier Safety Administration at the address in §369.6. In unusual circumstances where the classification regulations and reporting re-

quirements will unduly burden the carrier, the carrier may request from the FMCSA a waiver from these regulations. This request shall be in writing specifying the conditions justifying the waiver. The FMCSA then shall notify carriers of any change in classification or reporting requirements.

(c) For classification purposes, the FMCSA shall publish in the FEDERAL REGISTER annually an index number which shall be used for adjusting gross annual operating revenues. The index number (deflator) is based on the Producer Price Index of Finished Goods and is used to eliminate the effects of inflation from the classification process.

NOTE: Each carrier's operating revenues will be deflated annually using the Producers Price Index (PPI) of Finished Goods before comparing them with the dollar revenue limits prescribed in paragraph (a) of this section. The PPI is published monthly by the Bureau of Labor Statistics. The formula to be applied is as follows:

$$\frac{\text{Current year's annual operating revenues}}{\text{Current year's average PPI}} \times \frac{1986 \text{ average PPI}}{\text{Current year's average PPI}} = \text{Adjusted annual operating revenues}$$

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§ 369.4 Annual and quarterly reports of Class I carriers of passengers.

(a) All Class I motor carriers of passengers shall complete and file Motor Carrier Quarterly and Annual Report Form MP-1 for Motor Carriers of Passengers (Form MP-1). Other than Class I carriers are not required to file Form MP-1.

(b) Motor Carrier Quarterly and Annual Report Form MP-1 shall be used to file both quarterly and annual selected motor carrier data. The annual accounting period shall be based either (1) on the 31st day of December in each year, or (2) an accounting year of thirteen 4-week periods ending at the close of the last 7 days of each calendar year. A carrier electing to adopt an accounting year of thirteen 4-week periods shall file with the FMCSA a statement showing the day on which its account-

ing year will close. A subsequent change in the accounting period may not be made except by authority of the FMCSA. The quarterly accounting period shall end on March 31, June 30, September 30, and December 31. The quarterly report shall be filed within 30 days after the end of the reporting quarter. The annual report shall be filed on or before March 31 of the year following the year to which it relates.

(c) The quarterly and annual report shall be filed in duplicate to the Federal Motor Carrier Safety Administration at the address in §369.6. Copies of Form MP-1 may be obtained from the FMCSA.

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